

REPORT

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SUPPLEMENT TO
REPORT NO.

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1. Because of Yugoslav inability to pay outstanding clearing debts, at present amounting to eight million dollars, business under the current Austro-Yugoslav trade treaty has come to a virtual standstill.
2. The Yugoslavs will approach the Austrian Government shortly, declaring themselves unable to pay and requesting to be allowed to do so in installments, beginning in 1952.
3. The Yugoslav trading firm Sava of Vienna VII, Mariahilferstrasse 62 has changed its name to Omnico but remains at the same address. The reason for this is a desire on the part of the Yugoslavs to disassociate themselves from the reputation which Sava acquired during its period of close collaboration with the Russians.
4. Omnico will act as a firm of general importers and exporters and will not confine its activities to Yugoslav business.
5. A plan for sending food and textiles from Austria to Yugoslavia in "gift parcels" is also being run by Omnico, for which purposes the latter holds exclusive licenses from both the Austrian and the Yugoslav authorities and plans to set up branches in Graz and Klagenfurt.
6. Prices charged for these "gifts" are approximately 35 to 45 percent over Austrian prices and the surplus proceeds are used by the Yugoslavs for the purchase of consumer goods and hand tools.
7. It is estimated that the turnover for the first three weeks, after the scheme started on 1 December 1950, amounted to 40,000 Austrian schillings.
8. Both Omnico and Morava (the Yugoslav Republican firm representing Serbia in Vienna) are following a new principle in effecting sales to Western countries via Austria, by circulating to all their main customers details of the goods available for sale and inviting bids for them. They then sell to the highest bidder, considering this method the most profitable under present market conditions.
9. Between them, they have at present available for purchase against dollars the following goods:

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- a. 50,000 tons of Montenegrin magnesite.
- b. 100,000 tons of bauxite ore (with 25,000 to 30,000 tons available per month, for the next six months).
- c. 600 tons of brass shavings.
- d. 50,000 tons of roasted pyrites.

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